

## Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name DUNDEE TOWNSHIP	County MONROE
Fiscal Year End 03/31/06	Opinion Date 07/21/06	Date Audit Report Submitted to State 9/12/2006	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

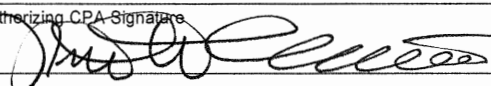
YES NO

**Check each applicable box below.** (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

<b>We have enclosed the following:</b>	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input checked="" type="checkbox"/>		
Other (Describe)	<input type="checkbox"/>		
Certified Public Accountant (Firm Name) COOLEY HEHL WOHLGAMUTH & CARLTON, PLLC		Telephone Number 734-241-7200	
Street Address ONE SOUTH MONROE STREET		City MONROE	State MI
			Zip 48161
Authorizing CPA Signature 		Printed Name PETER H. CARLTON	License Number 1101009575

**TOWNSHIP OF DUNDEE**  
Monroe County, Michigan

ANNUAL FINANCIAL REPORT

March 31, 2006

# TOWNSHIP OF DUNDEE

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## TOWNSHIP OF DUNDEE

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### Independent Auditor's Report

Township Board  
Township of Dundee  
Monroe County, Michigan

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Dundee, Monroe County, Michigan as of and for the year ended March 31, 2006, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township of Dundee, Monroe County, Michigan management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Dundee, Monroe County, Michigan as of March 31, 2006, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information on pages 3 through 9 and 34 through 36, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Township Board  
Township of Dundee

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Dundee, Monroe County, Michigan basic financial statements. The comparative and individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink, reading "Cooley Held Wohlgenuth & Clark". The signature is written in a cursive, flowing style with a long horizontal flourish at the end.

July 21, 2006

## TOWNSHIP OF DUNDEE

### *Management's Discussion and Analysis Year Ended March 31, 2006*

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This section of the Township of Dundee's annual financial report presents our discussion and analysis of the Township's financial performance during the fiscal year ended March 31, 2006. Please read it in conjunction with the Township's financial statements, which immediately follow this section. This summary should not be taken as a replacement for the audit which consists of the financial statements and other supplemental information that presents all the Township's revenues and expenditures by program for the General Fund, Special Revenue Funds, Debt Service Funds, Capital Projects Fund and Permanent Funds.

#### **Using this Annual Report**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Township of Dundee financially as a whole. The ***Government-Wide Financial Statements***, which include the statement of Net Assets and the Statement of Activities, provide information about the activities of the Township as a whole and presents both a short-term and a long-term view of those finances. The ***Fund Financial Statements*** provide the next level of detail. For governmental activities, these statements explain how services were financed in the short-term as well as what remains for future spending. The ***Fund Financial Statements*** report the Township's operations in more detail than the ***Government-Wide Financial Statements*** by providing information about the Township's most significant funds – the General Fund, the Fire Millage Special Revenue Fund, the Meanwell/Eggert Road, Dixon Road, Irish/Meanwell Road and Wells Road Water Debt Funds, and Road Millage Capital Projects Fund. All other funds are presented in one column as nonmajor funds. The remaining statements, the Statement of Fiduciary Net Assets, presents financial information about activities for which the Township acts solely as an agent for the benefit of the public. The following summary illustrates how the various parts of this annual report are arranged:

#### *Management's Discussion and Analysis (MD&A) (Required Supplemental Information)*

#### Basic Financial Statements

*Government-Wide Financial Statements      Fund Financial Statements*

*Notes to the Basic Financial Statements*

*Budgetary Information for Major Funds  
(Required Supplemental Information)*

*Other Supplemental Information*

#### **Government-Wide Financial Statements**

The Statement of Net Assets and the Statement of Activities (pages 10-11), which appear first in the Township's financial statements, report information on the Township as a whole and its activities. These statements include all assets and liabilities, using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the Township's net assets and changes in them. The change in net assets provides the reader a tool to assist in determining whether the Township's financial health is improving or deteriorating. The relationship between revenues and expenses indicates the Township's operating results. However, the Township's goal is to provide services to our residents, not to generate profits as commercial entities do.

## TOWNSHIP OF DUNDEE

### *Management's Discussion and Analysis Year Ended March 31, 2006*

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#### **Government-Wide Financial Statements -Concluded**

One must consider many other non-financial factors, such as the quality of the services provided and the safety of the public to assess the overall health of the Township.

The Statement of Net Assets and Statement of Activities report the governmental activities for the Township, which encompass all of the Township's services, including general government services, public safety, public works, culture and recreation. Property taxes, state grants, charges for services, and capital contributions finance most of these activities.

#### **Fund Financial Statements**

The Township's Fund Financial Statements (pages 12-18) provide detailed information about the most significant or "major" funds – not the Township as a whole. Some funds are required to be established by State law and by bond covenants. However, the Township establishes other funds to control and manage money for particular purposes or to show that it is properly using revenues. The Township's two types of funds, governmental and fiduciary, use different accounting approaches as described below:

**Governmental funds** – All of the Township's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year-end that are available for spending. They are reported using the modified accrual accounting method, which measures cash and all other financial assets that can be converted to cash. The governmental fund statements provide a detailed short-term view of the operations of the Township and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Township's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation format in the financial section on pages 14 and 17.

**Fiduciary funds** – An Agency Fund is used to account for assets held by the Township as an agent for the collection and disbursement of property taxes.

#### **Financial Highlights**

The 2005-2006 fiscal year brought many improvements to the Township:

- ◆ A much needed computer upgrade was established. This project will span the 2006-2007 fiscal year as well.
- ◆ The Township website was developed. This enables residents access to the most recent Township news.
- ◆ Windows on the Library building were replaced at a cost of \$10,000.
- ◆ The major and most costly project mandated by the Township was improvements to many roads. Drainage and stoning projects that dramatically affected the area residents totaled over \$160,000. A major bridge received improvements with a project cost of approximately \$243,000. Overall road millage funds were utilized to improve the quality of the Township roads totaling over \$400,000.



## TOWNSHIP OF DUNDEE

### *Management's Discussion and Analysis* *Year Ended March 31, 2006*

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#### Government-Wide Financial Analysis

Recall that the Statement of Net Assets provides the perspective of the Township as a whole. Table 1 provides a summary of the Township's net assets as of March 31, 2006:

**Table 1:**

#### **Condensed Statement of Net Assets March 31,**

	Governmental Activities	
	2006	2005
Current and other assets	\$3,161,237	\$2,570,112
Capital assets, net	<u>2,034,719</u>	<u>1,972,591</u>
<b>Total Assets</b>	<u>5,195,956</u>	<u>4,542,703</u>
Current and other liabilities	192,935	207,302
Long-term liabilities	<u>1,460,000</u>	<u>1,720,121</u>
<b>Total Liabilities</b>	<u>1,652,935</u>	<u>1,927,423</u>
Net Assets		
Invested in capital assets, net of related debt	420,370	477,705
Restricted	2,596,382	1,933,623
Unrestricted	<u>526,269</u>	<u>203,952</u>
<b>Total Net Assets</b>	<u>\$3,543,021</u>	<u>\$2,615,280</u>

As depicted in Table 1, the Township's net assets were \$3.54 million at March 31, 2006. Of this amount, a positive \$526,269 was unrestricted. This amount represents the *accumulated* results of all past years' operations. The unrestricted net asset balance is used for working capital and cash flow needs as well as to provide for future growth and uncertainties. It means that if we had to pay off all our bills *today*, including all of our noncapital liabilities we could with our current resources. The operating results of the General Fund will have a significant impact on the change in unrestricted net assets from year to year.

The results of this year's operations for the Township as a whole are reported in the Statement of Activities. Table 2 shows the changes in the net assets for the calendar year ended March 31, 2006.

# TOWNSHIP OF DUNDEE

## *Management's Discussion and Analysis Year Ended March 31, 2006*

### Governmental-Wide Financial Analysis - Concluded

**Table 2:**

#### **Changes in Net Assets Year Ended March 31,**

	Governmental Activities	
	<u>2006</u>	<u>2005</u>
<b>Revenues</b>		
Program revenues:		
Charges for services	\$ 197,220	\$ 234,146
Operating grants	908	701
Capital grants and contributions	<u>822,547</u>	<u>55,785</u>
	<u>1,020,675</u>	<u>290,632</u>
General revenues:		
Property taxes	786,113	677,215
State grants	199,209	191,253
Other general revenues	<u>126,714</u>	<u>63,024</u>
	<u>1,112,036</u>	<u>931,492</u>
 Total Revenues	 2,132,711	 1,222,124
<b>Functions/Program Expenses</b>		
Legislative	31,439	23,241
General government	344,879	454,771
Public safety	250,704	268,172
Public works	496,102	233,480
Culture and recreation	19,699	17,327
Interest on long-term debt	<u>62,147</u>	<u>30,067</u>
 Total Expenses	 <u>1,204,970</u>	 <u>1,027,058</u>
 <b>Increase (Decrease) in Net Assets</b>	 <u>\$ 927,741</u>	 <u>\$ 195,066</u>

As indicated in Table 2, the cost of *all governmental* activities this year was \$1.2 million. Of this amount, \$1 million was subsidized with revenue generated from charges for services, grants and other contributions with the remaining costs financed with general revenues.

The Township's governmental activities experienced an increase in net assets of \$927,741. The increase in total net assets is attributable to an excess of revenue over controlled expenditures. The Irish Meanwell and Wells Road Debt Funds had special assessment revenues of \$812,040 and property taxes increased \$108,898 accounting largely for the increase in net assets.

## TOWNSHIP OF DUNDEE

### *Management's Discussion and Analysis Year Ended March 31, 2006*

#### Fund Financial Analysis

As noted earlier, the Township uses funds to help control and manage money for particular purposes. Looking at funds helps the reader consider whether the Township of Dundee is being held accountable for the resources taxpayers and others provide to it and may give more insight into the Township's overall financial health.

As the Township completed this year, the governmental funds reported a combined fund balance of \$2.17 million, which is an increase of \$225,775 from last year. The changes by fund type are as follows:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Retirement Funds</u>	<u>Capital Projects Funds</u>	<u>Permanent Funds</u>	<u>Total</u>
<b>Fund balances – Beginning of year</b>	\$282,030	\$400,513	\$320,708	\$ 933,085	\$7,231	\$1,943,567
Increase (decrease)	<u>91,734</u>	<u>148,072</u>	<u>325,106</u>	<u>(339,042)</u>	<u>(95)</u>	<u>225,775</u>
<b>Fund balances – End of year</b>	<u>\$373,764</u>	<u>\$548,585</u>	<u>\$645,814</u>	<u>\$ 594,043</u>	<u>\$7,136</u>	<u>\$2,169,342</u>

The Township's General Fund revenues decreased by \$8,629. Tax revenues were up approximately \$35,000 while licenses and permits, federal grants and charges for services all decreased.

	<u>March 31, 2006</u>	<u>March 31, 2005</u>	<u>Percent Change</u>
<b>Revenues</b>			
Property taxes	\$278,334	\$243,562	14.28%
Licenses and permits	40,949	55,474	(26.19)%
Federal grants	10,507	44,959	(76.63)%
State grants	199,209	191,253	4.16%
Charges for services	155,991	177,742	(12.24)%
Interest and rents	17,205	2,744	(527.00)%
Other	<u>13,526</u>	<u>8,616</u>	56.99%
Total revenues	<u>\$715,721</u>	<u>\$724,350</u>	(1.20)%

The Township's General Fund expenditures decreased \$123,307. The assessing department had the most significant decrease due to the prior year's property revaluation costs. Public safety also experienced a decrease in expenditures due to fewer inspection costs and less fire equipment was purchased.

## TOWNSHIP OF DUNDEE

### *Management's Discussion and Analysis* *Year Ended March 31, 2006*

#### **Fund Financial Analysis – Concluded**

	<u>March 31,</u> <u>2006</u>	<u>March 31,</u> <u>2005</u>	<u>Percent</u> <u>Change</u>
<b>Expenditures</b>			
Legislative	\$ 28,277	\$ 20,553	37.58%
General government	274,140	367,451	(25.40)%
Public safety	153,349	201,147	(23.77)%
Public works	57,757	57,380	.01%
Recreation and culture	17,374	8,239	110.88%
Other	<u>93,090</u>	<u>92,524</u>	.01%
Total Expenditures	<u>\$623,987</u>	<u>\$747,294</u>	(16.50)%

#### **General Fund Budgetary Highlights**

The Uniform Budget Act of the State of Michigan requires the Township Board to adopt the original budget prior to April 1, the start of the fiscal year. Over the course of the year, the Township revises its budget as it attempts to deal with the unexpected changes in revenues and expenditures. State law requires that the budget be amended to ensure that expenditures do not exceed appropriations. A schedule illustrating the Township's original and final budget amounts compared with amounts actually paid and received is provided in the required supplemental information of these statements. Revisions to the General Fund budget were as follows:

Revenues - The original budget of \$745,413 was adjusted to \$766,177. No material changes or unanticipated changes were made to the General Fund revenue budget.

Expenditures – The original budget of \$729,950 was adjusted to \$733,515. The most significant expenditure budget change was to other expenditures which increased \$17,500 due to higher pension costs.

#### **Capital Asset and Debt Administration**

##### **Capital Assets**

At March 31, 2006, the Township had \$2.98 million invested in a broad range of capital assets, including land, building and improvements, machinery and equipment, furniture and fixtures, water lines and vehicles. This amount represents a net increase (including additions and disposals) of \$174,881 from last year. This year's additions included the completion of the Irish Meanwell and Wells Road water lines, windows for the library, three computers, and fire equipment. Depreciation for this year totaled \$112,753. Details regarding capital assets are included in Note 7 to the financial statements.

## **TOWNSHIP OF DUNDEE**

### *Management's Discussion and Analysis Year Ended March 31, 2006*

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#### **Capital Asset and Debt Administration - Concluded**

##### **Debt**

At March 31, 2006, the Township had four special assessment bonds outstanding totaling \$1,535,000 (Dixon Road Water - \$245,000, Meanwell/Eggert Road Water - \$405,000, Wells Road Water - \$335,000, and Irish/Meanwell Road Water - \$550,000). The Irish Meanwell Road and Wells Road water projects were completed and special assessments had been levied on the water districts customers. The Township also leases a fire truck on which they owe \$79,349. Details regarding long-term debt are included in Note 8 to the financial statements.

##### **Development of the 2007 Fiscal Year Budget**

Our elected officials consider many factors when setting the Township's 2007 fiscal year budget. Based primarily on the last fiscal year's spending patterns, thought is also given to important factors affecting the budget, such as State budget constraints and various needs of the Township. In the 2006-2007 fiscal year the computer equipment upgrade will be completed. All systems will be networked and allow for adequate growth to occur. A cemetery program will be added to the computer to maintain all cemetery information. An interior library painting project is slated for this year. The Pierce fire truck lease will receive the final of five payments totaling \$83,094. The fire department will be purchasing two Automatic Electronic Defibrillators at a cost of approximately \$3,500. A fire truck that previously had been utilized as a rescue vehicle will be updated to not only perform as a secondary rescue vehicle but an air supply truck as well. The cost of equipping this vehicle with an air conditioning unit and a generator will be \$4,250. The \$49,500 Township bridge project will allow for major reconstruction and improvements to a well traveled Township bridge.

##### **Contacting the Township of Dundee**

This financial report is designed to provide the Township's citizens, taxpayers, customers, investors and creditors with a general overview of the Township's finances and to demonstrate their accountability for the money it receives. If you have any questions about this report or need additional information, contact the Township of Dundee Clerk, 179 Main Street, Dundee, MI 48131.

**TOWNSHIP OF DUNDEE***Statement of Net Assets  
March 31, 2006*

	Governmental Activities
<b>Assets</b>	
Cash and cash equivalents	\$1,725,819
Certificate of deposit	290,790
Receivables:	
Taxes	51,694
Accounts	20,079
Special assessments	1,040,732
Due from other governmental units	32,123
Depreciable capital assets, net	2,034,719
 Total Assets	 5,195,956
<b>Liabilities</b>	
Accounts payable	12,377
Accrued interest payable	26,209
Long-term liabilities:	
Due within one year	154,349
Due in more than one year	1,460,000
 Total Liabilities	 1,652,935
<b>Net Assets</b>	
Invested in capital assets, net of related debt	420,370
Restricted for:	
Public safety	373,184
Debt service	1,600,059
Capital projects funds	594,043
Cemetery care:	
Expendable	22,096
Non-expendable	7,000
Unrestricted	526,269
 Total Net Assets	 \$3,543,021

See accompanying notes to the basic financial statements.

# TOWNSHIP OF DUNDEE

## *Statement of Activities* *Year Ended March 31, 2006*

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Functions/Programs</b>					
Governmental Activities:					
Legislative	\$31,439	\$0	\$0	\$0	(\$31,439)
General government	344,879	155,991	255	0	(188,633)
Public safety	250,704	41,229	653	10,507	(198,315)
Public works	496,102	0	0	812,040	315,938
Recreation and culture	19,699	0	0	0	(19,699)
Interest on long-term debt	62,147	0	0	0	(62,147)
Total Governmental Activities	<u>\$1,204,970</u>	<u>\$197,220</u>	<u>\$908</u>	<u>\$822,547</u>	(184,295)
General Revenues:					
Property taxes					786,113
State grants					199,209
Interest and penalties					102,313
Other					<u>24,401</u>
Total General Revenues					<u>1,112,036</u>
Change in Net Assets					927,741
Net Assets - Beginning of year, as restated					<u>2,615,280</u>
Net Assets - End of year					<u>\$3,543,021</u>

See accompanying notes to the basic financial statements.

**TOWNSHIP OF DUNDEE**

*Governmental Funds  
Balance Sheet  
March 31, 2006*

	Special Revenue Fund		Debt Service Funds	
	General	Fire Millage	Meanwell / Eggert Road Water Debt	Dixon Road Water Debt
<b>Assets</b>				
Cash and cash equivalents	\$300,517	\$366,409	\$185,091	\$101,227
Certificate of deposit	0	0	0	0
Receivables:				
Taxes	21,859	13,025	0	0
Accounts	20,079	0	0	0
Special assessments	0	0	249,348	165,760
Due from other funds	11,563	0	0	0
Due from other governmental units	32,123	0	0	0
 Total Assets	 \$386,141	 \$379,434	 \$434,439	 \$266,987
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$12,377	\$0	\$0	\$0
Due to other funds	0	7,077	766	0
Deferred revenue	0	0	234,758	151,947
 Total Liabilities	 12,377	 7,077	 235,524	 151,947
<b>Fund Balances</b>				
Reserved for debt service	0	0	198,915	115,040
Reserved for capital projects	0	0	0	0
Reserved for cemetery care	0	0	0	0
Reserved for Leib Cemetery	0	0	0	0
Unreserved - reported in:				
General Fund	373,764	0	0	0
Special Revenue Funds	0	372,357	0	0
 Total Fund Balances	 373,764	 372,357	 198,915	 115,040
 Total Liabilities and Fund Balances	 \$386,141	 \$379,434	 \$434,439	 \$266,987

See accompanying notes to the basic financial statements.



		Capital Projects Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
Irish / Meanwell Road Water Debt	Wells Road Water Debt	Road Millage		
\$85,138	\$45,998	\$576,602	\$64,837	\$1,725,819
85,979	81,933	0	122,878	290,790
0	0	16,810	0	51,694
0	0	0	0	20,079
401,368	224,256	0	0	1,040,732
0	0	0	0	11,563
0	0	0	0	32,123
<u>\$572,485</u>	<u>\$352,187</u>	<u>\$593,412</u>	<u>\$187,715</u>	<u>\$3,172,800</u>
\$0	\$0	\$0	\$0	\$12,377
0	0	3,398	322	11,563
380,333	212,480	0	0	979,518
380,333	212,480	3,398	322	1,003,458
192,152	139,707	0	0	645,814
0	0	590,014	4,029	594,043
0	0	0	22,096	22,096
0	0	0	7,000	7,000
0	0	0	0	373,764
0	0	0	154,268	526,625
192,152	139,707	590,014	187,393	2,169,342
<u>\$572,485</u>	<u>\$352,187</u>	<u>\$593,412</u>	<u>\$187,715</u>	<u>\$3,172,800</u>

**TOWNSHIP OF DUNDEE**

*Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets*  
*March 31, 2006*

<b>Total Fund Balances - Governmental Funds</b>		<b>\$2,169,342</b>
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and are not reported in the funds:		
Cost of the capital assets	2,980,834	
Accumulated depreciation	<u>(946,115)</u>	2,034,719
Other long-term assets are not available to pay for current-period expenditures and therefore are offset by deferred revenue in the funds.		979,518
Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds:		
Accrued interest	(26,209)	
Capital lease	(79,349)	
Bonds payable	<u>(1,535,000)</u>	(1,640,558)
<b>Total Net Assets - Governmental Activities</b>		<b><u>\$3,543,021</u></b>

See accompanying notes to the basic financial statements.

**TOWNSHIP OF DUNDEE**

*Governmental Funds  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Year Ended March 31, 2006*

	Special Revenue Fund		Debt Service Funds	
	General	Fire Millage	Meanwell / Eggert Road Water Debt	Dixon Road Water Debt
<b>Revenues</b>				
Property taxes and special assessments	\$278,334	\$222,055	\$36,474	\$14,933
Licenses and permits	40,949	0	0	0
Federal grants	10,507	0	0	0
State grants	199,209	0	0	0
Charges for services	155,991	0	0	0
Interest and rents	17,205	3,406	16,028	11,436
Other revenue	13,526	0	0	0
<b>Total Revenues</b>	<b>715,721</b>	<b>225,461</b>	<b>52,502</b>	<b>26,369</b>
<b>Expenditures</b>				
Legislative	28,277	0	0	0
General government	274,140	0	0	0
Public safety	153,349	83,094	0	0
Public works	57,757	0	0	0
Recreation and culture	17,374	0	0	0
Other	93,090	0	0	0
Capital projects	0	0	0	0
Debt service	0	0	30,809	26,272
<b>Total Expenditures</b>	<b>623,987</b>	<b>83,094</b>	<b>30,809</b>	<b>26,272</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>91,734</b>	<b>142,367</b>	<b>21,693</b>	<b>97</b>
<b>Other Financing Sources (Uses)</b>				
Operating transfers in	0	0	0	0
Operating transfers out	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Change in Fund Balances</b>	<b>91,734</b>	<b>142,367</b>	<b>21,693</b>	<b>97</b>
Fund Balances - Beginning of year	282,030	229,990	177,222	114,943
Fund Balances - End of year	<u>\$373,764</u>	<u>\$372,357</u>	<u>\$198,915</u>	<u>\$115,040</u>

See accompanying notes to the basic financial statements.

		Capital Projects Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
Irish / Meanwell Road Water Debt	Wells Road Water Debt	Road Millage		
\$124,507	\$94,720	\$285,724	\$0	\$1,056,747
0	0	0	280	41,229
0	0	0	0	10,507
0	0	0	653	199,862
0	0	0	0	155,991
21,566	17,158	19,256	7,388	113,443
0	0	0	0	13,526
146,073	111,878	304,980	8,321	1,591,305
0	0	0	0	28,277
0	0	0	1,245	275,385
0	0	0	355	236,798
0	0	0	0	57,757
0	0	0	0	17,374
0	0	0	0	93,090
0	0	422,816	148,291	571,107
16,116	12,545	0	0	85,742
16,116	12,545	422,816	149,891	1,365,530
129,957	99,333	(117,836)	(141,570)	225,775
46,211	27,815	0	0	74,026
0	0	0	(74,026)	(74,026)
46,211	27,815	0	(74,026)	0
176,168	127,148	(117,836)	(215,596)	225,775
15,984	12,559	707,850	402,989	1,943,567
<u>\$192,152</u>	<u>\$139,707</u>	<u>\$590,014</u>	<u>\$187,393</u>	<u>\$2,169,342</u>

## TOWNSHIP OF DUNDEE

*Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of  
Governmental Funds to the Statement of Activities  
Year Ended March 31, 2006*

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<b>Net Change in Fund Balances - Total Governmental Funds</b>		<b>\$225,775</b>
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures;		
in the statement of activities, these costs are allocated over their estimated useful lives as depreciation expense.		
Depreciation expense	(112,753)	
Capital outlay	<u>174,882</u>	
		62,129
Accrued interest is recorded in the statement of activities when incurred; it is not reported in governmental funds until paid.		(7,341)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.		541,406
Repayments of long term debt is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt).		<u>105,772</u>
<b>Change in Net Assets of Governmental Activities</b>		<u><u>\$927,741</u></u>

See accompanying notes to the basic financial statements.

**TOWNSHIP OF DUNDEE**

*Agency Fund*  
*Statement of Fiduciary Net Assets*  
*March 31, 2006*

	<u>Tax Collection</u>
<b>Assets</b>	
Cash	<u>\$118,330</u>
Total Assets	<u><u>\$118,330</u></u>
<b>Liabilities</b>	
Due to other governmental units	\$4,198
Due to taxing units	<u>114,132</u>
Total Liabilities	<u><u>\$118,330</u></u>

See accompanying notes to the basic financial statements.

## TOWNSHIP OF DUNDEE

*Notes to Financial Statements*  
*Year Ended March 31, 2006*

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Note 1      Description of the Township and Reporting Entity

The Township operates under a locally elected nine member Board form of government and provides the following services: public safety (fire), highways and streets, recreation and culture, public improvements, cemetery, planning and zoning, and general administrative services.

Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to insure that the financial statements are not misleading. The primary government of the Township consists of all funds, departments, boards, and agencies that are not legally separate from the Township.

Component units are legally separate organizations for which the Township is financially accountable. Component units may also include organizations that are fiscally dependent on the Township in that the Township approves their budget, the issuance of their debt, or the levying of taxes. The Township has no component units.

Note 2      Summary of Significant Accounting Policies

The financial statements of the Township of Dundee have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Council (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following are the more significant of the Township's accounting policies.

Basis of Presentation

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. As a general rule, the effect of interfund activity has been eliminated from the government-wide statements. All of the Township's government-wide activities are considered to be governmental activities. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Amounts reported as program revenue include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions. General revenue includes taxes, intergovernmental payments, sales of property, and other items not properly included among program revenues.

Separate financial statements are provided for governmental funds, and agency funds, even though the latter are excluded from the government-wide financial statements. Individual major governmental funds are reported as separate columns in the fund financial statements.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Statements - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

## TOWNSHIP OF DUNDEE

*Notes to Financial Statements*  
*Year Ended March 31, 2006*

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### Note 2      Summary of Significant Accounting Policies (Continued)

#### Basis of Presentation (Continued)

#### B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Fund Financial Statements - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Governmental fund expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

On the governmental funds statements, property taxes, intergovernmental grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be available only when cash is received by the Township.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Agency fund statements also are reported using the economic resources measurement focus and the cash basis of accounting.

The Township reports the following major governmental funds:

The General Fund is the Township's primary operating fund. The General Fund accounts for all financial resources of the Township, except those required to be accounted for in another fund.

The Fire Millage Fund - accounts for moneys from a voted tax levy to be used to provide fire protection equipment for the Township of Dundee Fire Department.

The Meanwell/Eggert Road Water Debt Fund accounts for the payment of special assessment bond principal and interest from special assessment levies for Meanwell/Eggert Road.

The Dixon Road Water Debt Fund accounts for the payment of special assessment bond principal and interest from special assessment levies for Dixon Road.

The Irish/Meanwell Road Water Debt Fund accounts for the payment of special assessment bond principal and interest from special assessment levies for Irish/Meanwell Road.

The Wells Road Water Debt Fund accounts for the payment of special assessment bond principal and interest from special assessment levies for Wells Road.

The Road Millage Fund accounts for monies from a voted tax levy to be used for improvements to the Township's roads and bridges.



## TOWNSHIP OF DUNDEE

### *Notes to Financial Statements Year Ended March 31, 2006*

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#### Note 2      Summary of Significant Accounting Policies (Continued)

##### Basis of Presentation (Continued)

##### B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Concluded)

The Township reports the following nonmajor governmental funds:

The Liquor Law Enforcement Fund, Improvement Revolving Fund, Cemetery Perpetual Care Fund, Irish/Meanwell Road Water Construction Fund, Wells Road Water Construction Fund, and Leib Cemetery Fund.

##### C. Assets, Liabilities, and Net Assets or Equity

Deposits and Investments - Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired.

Property Tax Receivable - Property taxes are assessed as of December 31 and the related property taxes become a lien on July 1 and December 1 of the following year. Summer taxes are considered delinquent July 31, and winter taxes are considered delinquent February 14 of the following year.

Prepaid Assets - Payments made to vendors for services that will benefit periods beyond March 31, 2006, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

Capital Assets - General capital assets are those assets related to the general activities and expenditures reported in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported on the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated fixed assets are recorded at their fair market values as of the date received. The Township maintains a capitalization threshold of one thousand dollars and an estimated useful life in excess of one year. The Township has elected not to retroactively report infrastructure assets. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

All reported capital assets, other than land, are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land Improvement	20 years
Buildings and Buildings Improvements	10-50 years
Machinery and Equipment	3-10 years
Furniture and Fixtures	7 years
Vehicles	5- 8 years
Water Lines	50 years

Interfund Balances - On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "due to/from other funds." These amounts are eliminated in the governmental activities column of the statement of net assets.

## TOWNSHIP OF DUNDEE

*Notes to Financial Statements  
Year Ended March 31, 2006*

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**Note 2**      Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

C. Assets, Liabilities, and Net Assets or Equity (Concluded)

Accrued Liabilities and Long-Term Obligations -All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Payments of long-term loans that are paid from governmental funds are recognized as an expenditure on the governmental fund financial statements when due.

Net Assets - Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws, or regulations of other governments.

Interfund Transactions - Exchange transactions between funds are reported as revenues in the seller funds and as expenditures in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures to the funds that initially paid for them are not presented on the financial statements.

Fund Balance Reserves and Designations - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

- D. Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported on the financial statements and accompanying notes. Actual results may differ from those estimates.
- E. Extraordinary and Special Items - Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Township and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2006.
- F. Budgetary Policies - The budgetary process is prescribed by provisions of the State of Michigan Budget Act and entails the preparation of budgetary documents within an established timetable. The General Fund and all Special Revenue Funds are legally required to be budgeted and appropriated. The legal level of budgetary control has been established by the Township Board at the function level. Any budgetary modifications may only be made by resolution of the Township Board.

## TOWNSHIP OF DUNDEE

*Notes to Financial Statements  
Year Ended March 31, 2006*

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Note 2      Summary of Significant Accounting Policies (Concluded)

Basis of Presentation (Concluded)

F. Budgetary Policies (Concluded)

The Township follows these procedures in establishing the budgets for the individual funds as reflected in the financial statements.

1. Prior to March 31, the fiscal officer submits to the Township Board a proposed operating budget for the fiscal year commencing on April 1.
2. A public hearing is conducted during March to obtain taxpayer comments.
3. Prior to March 31, the budget is legally enacted through passage of a resolution.
4. During the year the budget is monitored, and amendments to the budget are made when deemed necessary.
5. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
6. Lapsing of Appropriations - At the close of each year, all unspent appropriations revert to the respective funds from which they were appropriated and become subject to future appropriations.

G. Restatements - Beginning net assets of governmental activities were increased by \$438,111 to properly reflect the effect of the long-term receivable from the water district special assessments.

Note 3      Stewardship, Accountability and Compliance

The Township shall not incur expenditures in excess of the amount appropriated. Annual budgets are adopted on a basis that is consistent with generally accepted accounting principles and State Law for the General and Special Revenue Funds.

In the required supplemental information, the Township's actual expenditures and budgeted expenditures for the budgetary funds have been shown on a functional basis, which is the adopted legal level of control.

For the year ended March 31, 2006, expenditures exceeded final budgeted amounts in the following funds:

	<u>Final Budget</u>	<u>Actual Expenditures</u>	<u>Variance</u>
Leib Cemetery Fund	\$300	\$350	\$(50)

Note 4      Deposits

Statutes authorize the Township to invest in obligations of the U.S. Treasury, agencies, and instrumentalities; commercial paper within the three highest rate classifications by at least two rating services; bankers' acceptances of U.S. banks, U.S. or agency repurchase agreements; savings accounts and certificates of deposit with banks and savings and loan associations, or credit unions which are insured with the applicable federal agency. Public funds of the Township may not be deposited in financial institutions located in states other than Michigan. The Township Board has adopted an investment policy authorizing certain types of investments and has authorized three depositories: Monroe Bank and Trust, United Bank and Trust, and LaSalle Bank.

## TOWNSHIP OF DUNDEE

### *Notes to Financial Statements Year Ended March 31, 2006*

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#### Note 4      Deposits (Concluded)

Public Act 367 of 1982 (known as the Surplus Funds Investment Pool Act) enables municipalities to invest surplus operating funds in investment pools managed by qualified financial institutions. At March 31, 2006, the Township had invested in such a fund with a local bank. The Township is able to retrieve these funds without restriction and, accordingly, this amount is considered to be available cash. The local bank invests these funds in a variety of instruments including bonds and direct obligations of the United States, certificates of deposit, commercial paper rated within the three highest classifications by not less than two standard rating services, United States government or federal agency obligation repurchase agreements and bankers acceptances of the United States banks.

The Township believes that, due to the dollar amounts of cash deposits and the limits of FDIC insurance, and since State of Michigan legislation does not require that all deposits be collateralized, it is impractical to insure all bank deposits. As a result, the Township evaluates each financial institution with which it deposits Township funds and assesses the level of risk at each institution; only those institutions with an acceptable estimated risk level are used as depositories.

*Interest rate risk.* The Township's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit risk.* The Township will minimize credit risk, which is the risk of loss due to the failure of the security issuer or backer, by limiting investments to the types of securities listed in the Township's investment policy.

*Concentration of credit risk.* The Township does not place any limits on the amount the Township may deposit or invest in any one issuer.

*Custodial credit risk.* Custodial credit risk for deposits is the risk that in the event of a bank failure, the Township's deposits may not be returned or the Township will not be able to recover the collateral securities in the possession of an outside party. The Township has \$3,541,089 invested in certificates of deposit, checking accounts, and money markets. The Township's deposits are insured by the FDIC in the amount of \$300,000, with uninsured deposits of \$3,241,089. The Township's deposits are at institutions with an established record of fiscal health and service. The Township Board approves and designates a list of authorized depository institutions. The Township's investment policy does not address deposit risk.

*Foreign currency risk.* The Township is not authorized to invest in investments which have this type of risk.

# TOWNSHIP OF DUNDEE

## Notes to Financial Statements Year Ended March 31, 2006

### Note 5      Interfund Payables and Receivables Such balances at March 31, 2006 were:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$11,563	\$ -
Special Revenue Funds:		
Fire Millage	-	7,077
Cemetery Perpetual Care	-	52
Debt Service Fund:		
Meanwell/Eggert Road Water	-	766
Capital Project Fund:		
Road Millage	-	3,398
Permanent Fund:		
Leib Cemetery	<u>-</u>	<u>270</u>
Total	<u>\$11,563</u>	<u>\$11,563</u>

### Note 6      Interfund Transfers Interfund transfers for the year ended March 31, 2006, consisted of the following:

	<u>Transfers Out</u>		
	<u>Capital Projects Funds</u>		
	<u>Irish/Meanwell Road Water</u>	<u>Wells Road Water</u>	<u>Total</u>
<u>Transfers In:</u>			
Debt Funds:			
Irish/Meanwell Road Water	\$46,211	\$ -	\$46,211
Wells Road Water	<u>-</u>	<u>27,815</u>	<u>27,815</u>
Total	<u>\$46,211</u>	<u>\$27,815</u>	<u>\$74,026</u>

The transfers from the Irish/Meanwell Road Water and Wells Road Water Capital Projects Funds to the Irish/Meanwell Road Water and Wells Road Water Debt Funds were to transfer bond proceeds in excess of construction costs.

# TOWNSHIP OF DUNDEE

## *Notes to Financial Statements Year Ended March 31, 2006*

Note 7

Capital Assets

Capital asset activity for the fiscal year ended March 31, 2006, was as follows:

	<u>Balance April 1, 2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance March 31, 2006</u>
Governmental Activities:				
Assets not being depreciated:				
Land	\$45,000	\$0	\$0	\$45,000
Construction in progress	634,583	148,292	782,875	0
Capital assets being depreciated:				
Land improvements	14,325	0	0	14,325
Building and building improvements	625,398	9,678	0	635,076
Machinery and Equipment	218,229	15,612	0	233,841
Furniture and Fixtures	32,471	1,299	0	33,770
Vehicles	655,211	0	0	655,211
Water lines	<u>580,736</u>	<u>782,875</u>	<u>0</u>	<u>1,363,611</u>
Total capital assets	2,805,953	957,756	782,875	2,980,834
Less accumulated depreciation for:				
Land improvements	(6,484)	(716)	0	(7,200)
Building and building improvements	(256,800)	(14,621)	0	(271,421)
Machinery and Equipment	(85,392)	(28,950)	0	(114,342)
Furniture and Fixtures	(29,299)	(805)	0	(30,104)
Vehicles	(446,684)	(52,132)	0	(498,816)
Water lines	<u>(8,703)</u>	<u>(15,529)</u>	<u>0</u>	<u>(24,232)</u>
Total accumulated depreciation	<u>(833,362)</u>	<u>(112,753)</u>	<u>0</u>	<u>(946,115)</u>
Net capital assets	<u>\$1,972,591</u>	<u>\$845,003</u>	<u>\$782,875</u>	<u>\$2,034,719</u>

Depreciation expense was charged to programs of the primary government as follows:

Governmental activities:

General government	\$ 9,371
Public safety	78,650
Public works	15,529
Recreation and culture	<u>9,203</u>
Total governmental activities	<u>\$112,753</u>

**TOWNSHIP OF DUNDEE**

*Notes to Financial Statements  
Year Ended March 31, 2006*

**Note 8**

**Long-Term Debt**

The following is a summary of the long term debt as of March 31, 2006:

	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Maturity Dates</u>	<u>Original Amount of Issue</u>	<u>Balance Outstanding</u>
<b><u>Special Assessment Bonds:</u></b>					
2003 Special Assessment Bonds (General Obligation Limited Tax) Dixon Road Water	4.375%	4/1/03	5/1/05-2018	\$275,000	\$245,000
2004A Special Assessment Bonds (General Obligation Limited Tax) Meanwell/Eggert Road Water	3.25-4.50%	2/1/04	5/1/06-2023	420,000	405,000
2004B Special Assessment Bonds (General Obligation Limited Tax) Wells Road Water	2.65-5.15%	12/1/04	5/1/06-2025	335,000	335,000
2005 Special Assessment Bonds (General Obligation Limited Tax) Irish/Meanwell Roads Water	2.85-4.45%	2/1/05	5/1/06-2025	<u>550,000</u>	<u>550,000</u>
Total				1,580,000	1,535,000
<b><u>Obligations Under Capital Lease:</u></b>					
International Leasing Corporation Pierce Enforcer Pumper Truck Lease	4.72%	12/17/01	12/17/02-2006	<u>362,555</u>	<u>79,349</u>
Total				<u>\$1,942,555</u>	<u>\$1,614,349</u>

# TOWNSHIP OF DUNDEE

*Notes to Financial Statements  
Year Ended March 31, 2006*

**Note 8**      Long-Term Debt (Continued)

The following is a summary of changes in long-term debt:

	<u>Balance 3/31/05</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 3/31/06</u>	<u>Due In One Year</u>
<u>Special Assessment Bonds:</u>					
2003 Special Assessment Bonds (General Obligation Limited Tax) Dixon Road Water	\$ 260,000	\$ -	\$ 15,000	\$ 245,000	\$ 15,000
2004A Special Assessment (General Obligation Limited Tax) Meanwell/Eggert Road Water	420,000	-	15,000	405,000	20,000
2004B Special Assessment Bonds (General Obligation Limited Tax) Wells Road Water	335,000	-	-	335,000	15,000
2005 Special Assessment Bonds (General Obligation Limited Tax) Irish/Meanwell Roads Water	550,000	-	-	550,000	25,000
<u>Obligations Under Capital Lease:</u>					
International Leasing Corporation Pierce Enforcer Pumper Truck Lease	<u>155,121</u>	<u>-</u>	<u>75,772</u>	<u>79,349</u>	<u>79,349</u>
	<u>\$1,720,121</u>	<u>\$ -</u>	<u>\$105,772</u>	<u>\$1,614,349</u>	<u>\$154,349</u>

The following is a summary of the annual principal and interest requirements for the Township debt:

2003 Special Assessment Bonds (General Obligation Limited Tax) were issued by The Township of Dundee to pay for the construction of water supply improvements in special assessment district No. 2002-1(Dixon Road). These bonds are a general obligation of the Township and are being financed through a special assessment of \$5,600 per residential equivalent unit, levied against homeowners benefitting from the construction.



# TOWNSHIP OF DUNDEE

## Notes to Financial Statements Year Ended March 31, 2006

### Note 8 Long-Term Debt (Continued)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2007	\$ 15,000	\$10,390	\$ 25,390
2008	15,000	9,734	24,734
2009	15,000	9,078	24,078
2010	20,000	8,313	28,313
2011	20,000	7,438	27,438
2012	20,000	6,563	26,563
2013	20,000	5,688	25,688
2014	20,000	4,813	24,813
2015	20,000	3,938	23,938
2016	20,000	3,063	23,063
2017	20,000	2,188	22,188
2018	20,000	1,313	21,313
2019	<u>20,000</u>	<u>438</u>	<u>20,438</u>
	<u>\$245,000</u>	<u>\$72,957</u>	<u>\$317,957</u>

2004A Special Assessment Bonds (General Obligation Limited Tax) were issued by The Township of Dundee to pay for the construction of water supply improvements in special assessment district 2003-1 (Meanwell and Eggert Roads). These bonds are a general obligation of the Township and are being financed through a special assessment of \$12,600 per residential equivalent unit levied against homeowners benefitting from the construction.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2007	\$ 20,000	\$ 15,015	\$ 35,015
2008	20,000	14,365	34,365
2009	20,000	13,715	33,715
2010	20,000	13,065	33,065
2011	20,000	12,415	32,415
2012	20,000	11,765	31,765
2013	20,000	11,115	31,115
2014	20,000	10,450	30,450
2015	20,000	9,755	29,755
2016	25,000	8,931	33,931
2017	25,000	7,975	32,975
2018	25,000	6,988	31,988
2019	25,000	5,975	30,975
2020	25,000	4,937	29,937
2021	25,000	3,875	28,875
2022	25,000	2,788	27,788
2023	25,000	1,681	26,681
2024	<u>25,000</u>	<u>563</u>	<u>25,563</u>
	<u>\$405,000</u>	<u>\$155,373</u>	<u>\$560,373</u>

## TOWNSHIP OF DUNDEE

### *Notes to Financial Statements* *Year Ended March 31, 2006*

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Note 8      Long Term Debt (Continued)

2004B Special Assessment Bonds (General Obligation Limited Tax) were issued by The Township of Dundee to pay for the construction of water supply improvements in special assessment district No. 2004-1 (Wells Road). These bonds are a general obligation of the Township and are being financed through a special assessment of \$10,240 levied against homeowners benefitting from the construction.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2007	\$ 15,000	\$ 13,486	\$ 28,486
2008	15,000	13,074	28,074
2009	20,000	12,555	32,555
2010	15,000	12,014	27,014
2011	15,000	11,526	26,526
2012	20,000	10,930	30,930
2013	15,000	10,304	25,304
2014	15,000	9,730	24,730
2015	20,000	9,032	29,032
2016	15,000	8,316	23,316
2017	15,000	7,686	22,686
2018	20,000	6,932	26,932
2019	15,000	6,164	21,164
2020	15,000	5,489	20,489
2021	20,000	4,683	24,683
2022	15,000	3,861	18,861
2023	15,000	3,141	18,141
2024	20,000	2,283	22,283
2025	15,000	1,409	16,409
2026	<u>20,000</u>	<u>515</u>	<u>20,515</u>
	<u>\$335,000</u>	<u>\$153,130</u>	<u>\$488,130</u>

## TOWNSHIP OF DUNDEE

### *Notes to Financial Statements* *Year Ended March 31, 2006*

#### Note 8      Long Term Debt (Continued)

2005 Special Assessment Bonds (General Obligation Limited Tax) were issued by The Township of Dundee to pay for the construction of water supply improvements in special assessment district No. 2005-1 (Irish and Meanwell Roads). These bonds are a general obligation of the Township and are being financed through a special assessment of \$12,020 levied against homeowners benefitting from the construction.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2007	\$ 25,000	\$ 20,951	\$ 45,951
2008	30,000	20,130	50,130
2009	25,000	19,253	44,253
2010	30,000	18,330	48,330
2011	25,000	17,376	42,376
2012	30,000	16,385	46,385
2013	25,000	15,375	40,375
2014	30,000	14,343	44,343
2015	25,000	13,291	38,291
2016	30,000	12,218	42,218
2017	25,000	11,125	36,125
2018	30,000	10,018	40,018
2019	25,000	8,897	33,897
2020	30,000	7,763	37,763
2021	25,000	6,615	31,615
2022	30,000	5,453	35,453
2023	25,000	4,277	29,277
2024	30,000	3,088	33,088
2025	25,000	1,885	26,885
2026	<u>30,000</u>	<u>668</u>	<u>30,668</u>
	<u>\$550,000</u>	<u>\$227,441</u>	<u>\$777,441</u>

A capital lease was entered into with International Leasing Corporation on November 29, 2001 for the purchase of a Pierce Enforcer Pumper Truck. This lease is payable from a tax levy which is accounted for in the Fire Millage Fund.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2007	<u>\$79,349</u>	<u>\$3,745</u>	<u>\$83,094</u>

## TOWNSHIP OF DUNDEE

### *Notes to Financial Statements Year Ended March 31, 2006*

#### Note 8      Long Term Debt (Concluded)

The annual requirements to pay principal and interest on the long-term debt outstanding at March 31, 2006, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2007	\$ 154,349	\$ 63,587	\$ 217,936
2008	80,000	57,303	137,303
2009	80,000	54,601	134,601
2010	85,000	51,722	136,722
2011	80,000	48,755	128,755
2012-2016	430,000	196,005	626,005
2017-2021	405,000	109,061	514,061
2022-2026	<u>300,000</u>	<u>31,612</u>	<u>331,612</u>
	<u>\$1,614,349</u>	<u>\$612,646</u>	<u>\$2,226,995</u>

#### Note 9      Property Tax

The Township collects its own property tax and also collects taxes for the State of Michigan, Monroe County, Summerfield Schools, Ida Public Schools, Dundee Community Schools, Britton-Macon Schools, Monroe County Community College, Monroe County Intermediate School District and Lenawee County Intermediate School District. The Township levied 0.9329 mills for general operating, 0.7500 mills for the Fire Department and 0.9679 mills for roads for the 2005-2006 fiscal year. Taxable values, which amounted to \$258,380,113, represent a percentage of the fair market value of the assessed property. The Township also receives a portion of the millage levied on property subject to an industrial facilities tax exemption with a taxable value of \$81,234,225. Taxes are levied on December 1, 2005 based on assessment of property at December 31, 2004 and are due on February 14, 2006.

For the year ended March 31, 2006, the Township billed and retained \$129,259 as administrative fees for the above tax collection.

#### Note 10      Employee's Pension Plan

The Township adopted a defined contribution pension plan effective January 1, 2003. The plan provides for pension benefits for all elected officials and all other employees who work more than 20 hours per week. There are no minimum age or service requirements. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate on the first day of the plan year or a month after the plan eligibility requirements are met. The plan requires the Township to contribute 10% of the employees compensation. Township contributions to the plan vest immediately for elected officials and are 100% vested after 3 years for all other employees. The Township has also elected to contribute approximately \$31,000 for past service of its employees to be paid over 3 years.

During the current fiscal year, the Township contributed \$32,662 which represented \$10,443 for past service and \$22,219 (10% of covered payroll) for the period April 1, 2005 to March 31, 2006. Covered payroll for this 12 month period was \$222,190. Total payroll for the current fiscal year was \$282,310. The Township also paid \$1,694 for administrative expenses.

#### Note 11      Compensated Absences

The Township does not have a policy of providing employees with vacation or sick pay.

## TOWNSHIP OF DUNDEE

*Notes to Financial Statements  
Year Ended March 31, 2006*

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Note 12     Building Department

The Township tracks building permit fees and their related costs in the General Fund. Fees for the fiscal year ending March 31, 2006, of \$40,149 did not exceed the related costs and administrative overhead.

Note 13     Capital Leases

On November 29, 2001, the Township entered into a capital lease with International Leasing Corporation for the purchase of a Pierce Enforcer Pumper Truck. This lease is payable from a tax levy which is accounted for in the Fire Millage Fund. The truck was recorded as an expenditure and the proceeds from the capital lease as a revenue in the year of acquisition.

The present value of the capital lease is:

<u>Fiscal Year</u>	<u>Annual Lease Payments</u>
2007	\$ <u>83,094</u>
 Total Payments	 83,094
Less: Amount Representing Interest at 4.77%	 <u>(3,745)</u>
 Present Value of Future Minimum Lease Payments	 <u>\$79,349</u>
 Cost of Equipment	 <u>\$362,555</u>

Note 14     Risk Management

The Township is exposed to various risks of loss related to property loss, torts, errors, omissions and employee injuries (workman's compensation). The Township has purchased commercial insurance for property loss, torts, errors, omissions and employee injuries.

Note 15     Urban Cooperation Agreement

The Township entered into an agreement on August 5, 1997 with the Village of Dundee, which will allow the Township to continue to levy Township millages on property transferred or annexed into the Village after the date of this agreement even if the Village were to become a city. The term of the agreement is for one-hundred (100) years.

**TOWNSHIP OF DUNDEE**

*General Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
Year Ended March 31, 2006*

	Budgeted Amounts			Positive (Negative) Budget
	Original	Final	Actual	
<b>Revenues</b>				
Taxes and special assessments:				
Current tax collection	\$306,363	\$306,363	\$273,818	(\$32,545)
Penalty and interest on taxes	7,000	7,000	4,516	(2,484)
	313,363	313,363	278,334	(35,029)
Licenses and Permits	59,750	59,750	40,949	(18,801)
Federal grant:				
FEMA grant	25,000	25,000	10,507	(14,493)
State grants:				
State shared revenue	185,000	190,638	199,209	8,571
Charges for Services:				
Holcim supply agreement	27,500	27,500	19,956	(7,544)
Tax administration fee	110,000	110,000	129,259	19,259
Zoning and board of appeals fees	3,500	7,356	6,776	(580)
	141,000	144,856	155,991	11,135
Interest and rents:				
Interest income	1,200	6,200	6,330	130
Rental income	7,000	9,500	10,875	1,375
	8,200	15,700	17,205	1,505
Other revenue	13,100	16,870	13,526	(3,344)
Total Revenues	745,413	766,177	715,721	(50,456)
<b>Expenditures</b>				
Legislative:				
Township board	29,500	29,500	28,277	1,223
General Government:				
Supervisor	28,850	27,894	24,995	2,899
Elections	7,500	4,280	4,146	134
Audit	10,500	12,960	12,960	0
Assessor	87,250	84,607	80,643	3,964
Attorney	15,000	10,000	7,746	2,254
Clerk	42,050	42,050	40,126	1,924
Board of review	3,650	3,650	2,468	1,182
Treasurer	35,750	35,750	34,638	1,112
Township hall and grounds	63,750	62,750	50,128	12,622
Cemetery	22,800	22,300	16,290	6,010
	317,100	306,241	274,140	32,101

# TOWNSHIP OF DUNDEE

*General Fund*  
*Statement of Revenues, Expenditures, and Changes in Fund Balance*  
*Budget and Actual*  
*Year Ended March 31, 2006*

	Budgeted Amounts			Positive (Negative) Budget
	Original	Final	Actual	
<b>Expenditures (Concluded)</b>				
Public safety:				
Fire protection	\$126,450	\$122,190	\$104,849	\$17,341
Building inspection	48,650	50,250	33,732	16,518
Ordinance enforcer	4,950	4,950	2,966	1,984
Planning commission	14,150	13,300	9,528	3,772
Board of appeals	1,500	1,500	1,674	(174)
Other protective services	600	600	600	0
	<u>196,300</u>	<u>192,790</u>	<u>153,349</u>	<u>39,441</u>
Public works:				
Drains at large	1,500	1,500	750	750
Civic betterment	31,000	31,000	30,180	820
Roads	50,500	50,500	26,827	23,673
	<u>83,000</u>	<u>83,000</u>	<u>57,757</u>	<u>25,243</u>
Recreation and culture:				
Recreation	1,500	1,500	500	1,000
Library	20,050	20,050	16,874	3,176
	<u>21,550</u>	<u>21,550</u>	<u>17,374</u>	<u>4,176</u>
Other:				
Social security	25,000	25,000	21,573	3,427
Pension	16,000	33,500	32,662	838
Insurance and bonds	41,500	41,934	38,855	3,079
	<u>82,500</u>	<u>100,434</u>	<u>93,090</u>	<u>7,344</u>
Total Expenditures	<u>729,950</u>	<u>733,515</u>	<u>623,987</u>	<u>109,528</u>
<b>Net Change in Fund Balance</b>	<u>15,463</u>	<u>32,662</u>	<u>91,734</u>	<u>59,072</u>
Fund Balance - Beginning of year	<u>282,030</u>	<u>282,030</u>	<u>282,030</u>	<u>0</u>
Fund Balance - End of year	<u>\$297,493</u>	<u>\$314,692</u>	<u>\$373,764</u>	<u>\$59,072</u>

**TOWNSHIP OF DUNDEE**

*Fire Millage Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
Year Ended March 31, 2006*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Taxes	\$245,443	\$245,443	\$222,055	(\$23,388)
Interest	700	2,700	3,406	706
Total Revenues	246,143	248,143	225,461	(22,682)
<b>Expenditures</b>				
Public safety:				
Fire protection:				
Capital outlay	16,000	16,000	0	16,000
Capital lease payments	83,094	83,094	83,094	0
Total Expenditures	99,094	99,094	83,094	16,000
<b>Net Change in Fund Balance</b>	147,049	149,049	142,367	(6,682)
Fund Balance - Beginning of year	229,990	229,990	229,990	0
Fund Balance - End of year	<u>\$377,039</u>	<u>\$379,039</u>	<u>\$372,357</u>	<u>(\$6,682)</u>



**TOWNSHIP OF DUNDEE**

*Meanwell/Eggert Road Water Debt Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balances*

*Year Ended March 31, 2006*

	Actual
<b>Revenues</b>	
Special assessments	\$36,474
Interest	16,028
Total Revenues	52,502
<b>Expenditures</b>	
Debt Service:	
Bond principal	15,000
Bond interest	15,584
Other	225
Total Expenditures	30,809
<b>Net Change in Fund Balance</b>	21,693
Fund Balance - Beginning of year	177,222
Fund Balance - End of year	\$198,915

**TOWNSHIP OF DUNDEE**

*Dixon Road Water Debt Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance*

*Year Ended March 31, 2006*

	Actual
<b>Revenues</b>	
Special assessments	\$14,933
Interest	11,436
Total Revenues	26,369
<b>Expenditures</b>	
Debt Service:	
Bond principal	15,000
Bond interest	11,047
Other	225
Total Expenditures	26,272
<b>Net Change in Fund Balance</b>	97
Fund Balance - Beginning of year	114,943
Fund Balance - End of year	<u>\$115,040</u>

**TOWNSHIP OF DUNDEE**

*Irish/Meanwell Road Water Debt Fund*  
*Statement of Revenues, Expenditures, and Changes in Fund Balances*

*Year Ended March 31, 2006*

	Actual
<b>Revenues</b>	
Special assessments	\$124,507
Interest	21,566
Total Revenues	146,073
<b>Expenditures</b>	
Debt Service:	
Bond interest	15,981
Other	135
Total Expenditures	16,116
Excess (Deficiency) of Revenues Over Expenditures	129,957
<b>Other Financing Sources</b>	
Operating transfers in	46,211
<b>Net Change in Fund Balance</b>	176,168
Fund Balance - Beginning of year	15,984
Fund Balance - End of year	\$192,152

**TOWNSHIP OF DUNDEE**

*Wells Road Water Debt Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balances*

*Year Ended March 31, 2006*

	<u>Actual</u>
<b>Revenues</b>	
Special assessments	\$94,720
Interest	<u>17,158</u>
Total Revenues	111,878
<b>Expenditures</b>	
Debt Service:	
Bond interest	<u>12,545</u>
Total Expenditures	<u>12,545</u>
Excess (Deficiency) of Revenues Over Expenditures	99,333
<b>Other Financing Sources</b>	
Operating transfers in	<u>27,815</u>
<b>Net Change in Fund Balance</b>	127,148
Fund Balance - Beginning of year	<u>12,559</u>
Fund Balance - End of year	<u><u>\$139,707</u></u>

# TOWNSHIP OF DUNDEE

*Road Millage Fund*  
*Statement of Revenues, Expenditures, and Changes in Fund Balance*  
*Budget and Actual*  
*Year Ended March 31, 2006*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Taxes	\$318,312	\$318,312	\$285,724	(\$32,588)
Interest income	7,500	14,500	19,256	4,756
Total Revenues	325,812	332,812	304,980	(27,832)
<b>Expenditures</b>				
Capital projects:				
Roads	500,000	500,000	422,816	77,184
<b>Net Change in Fund Balance</b>	(174,188)	(167,188)	(117,836)	49,352
Fund Balance - Beginning of year	707,850	707,850	707,850	0
Fund Balance - End of year	<u>\$533,662</u>	<u>\$540,662</u>	<u>\$590,014</u>	<u>\$49,352</u>

**TOWNSHIP OF DUNDEE***Nonmajor Governmental Funds  
Combining Balance Sheet  
March 31, 2006*

	Special Revenue Funds		
	Liquor Law Enforcement	Improvement Revolving	Cemetery Perpetual Care
<b>Assets</b>			
Cash and cash equivalents	\$1,763	\$36,627	\$22,012
Certificate of deposit	0	115,878	0
Total Assets	<u>\$1,763</u>	<u>\$152,505</u>	<u>\$22,012</u>
<b>Total Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Due to other funds	\$0	\$0	\$52
Total Liabilities	0	0	52
<b>Fund Balances</b>			
Reserved for capital projects	0	0	0
Reserved for cemetery care	0	0	21,960
Reserved for Leib cemetery	0	0	0
Unreserved - undesignated	<u>1,763</u>	<u>152,505</u>	<u>0</u>
Total Fund Balances	<u>1,763</u>	<u>152,505</u>	<u>21,960</u>
Total Liabilities and Fund Balances	<u>\$1,763</u>	<u>\$152,505</u>	<u>\$22,012</u>

Capital Projects Fund		Permanent Fund	
Irish / Meanwell Road Water Construction	Wells Road Water Construction	Leib Cemetery	Total Nonmajor Governmental Funds
\$2,011	\$2,018	\$406	\$64,837
0	0	7,000	122,878
<u>\$2,011</u>	<u>\$2,018</u>	<u>\$7,406</u>	<u>\$187,715</u>
\$0	\$0	\$270	\$322
0	0	270	322
2,011	2,018	0	4,029
0	0	136	22,096
0	0	7,000	7,000
0	0	0	154,268
<u>2,011</u>	<u>2,018</u>	<u>7,136</u>	<u>187,393</u>
<u>\$2,011</u>	<u>\$2,018</u>	<u>\$7,406</u>	<u>\$187,715</u>

**TOWNSHIP OF DUNDEE**

*Nonmajor Governmental Funds  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Year Ended March 31, 2006*

	Special Revenue Funds		
	Liquor Law Enforcement	Improvement Revolving	Cemetery Perpetual Care
<b>Revenues</b>			
Licenses and permits	\$0	\$0	\$280
State grants	653	0	0
Interest	0	5,349	673
Total Revenues	653	5,349	953
<b>Expenditures</b>			
General government	0	0	895
Public safety	355	0	0
Capital projects	0	0	0
Total Expenditures	355	0	895
Excess (Deficiency) of Revenues Over Expenditures	298	5,349	58
<b>Other Financing Sources (Uses)</b>			
Operating transfers out	0	0	0
Total Other Financing Sources (Uses)	0	0	0
<b>Net Change in Fund Balances</b>	298	5,349	58
Fund Balances - Beginning of year	1,465	147,156	21,902
Fund Balances - End of year	\$1,763	\$152,505	\$21,960



Capital Projects Funds		Permanent	
Irish / Meanwell Road Water Construction	Wells Road Water Construction	Leib Cemetery	Total Nonmajor Governmental Funds
\$0	\$0	\$0	\$280
0	0	0	653
767	344	255	7,388
767	344	255	8,321
0	0	350	1,245
0	0	0	355
113,708	34,583	0	148,291
113,708	34,583	350	149,891
(112,941)	(34,239)	(95)	(141,570)
(46,211)	(27,815)	0	(74,026)
(46,211)	(27,815)	0	(74,026)
(159,152)	(62,054)	(95)	(215,596)
161,163	64,072	7,231	402,989
\$2,011	\$2,018	\$7,136	\$187,393

**TOWNSHIP OF DUNDEE**

*Liquor Law Enforcement Fund*  
*Statement of Revenues, Expenditures, and Changes in Fund Balances*  
*Budget and Actual*  
*Year Ended March 31, 2006*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
State grants:				
Liquor license fees	\$525	\$525	\$653	\$128
<b>Expenditures</b>				
Public safety:				
Inspection fees	360	360	355	5
<b>Net Change in Fund Balance</b>	165	165	298	133
Fund Balance - Beginning of year	1,465	1,465	1,465	0
Fund Balance - End of year	<u>\$1,630</u>	<u>\$1,630</u>	<u>\$1,763</u>	<u>\$133</u>

**TOWNSHIP OF DUNDEE**

*Improvement Revolving Fund*  
*Statement of Revenues, Expenditures, and Changes in Fund Balances*  
*Budget and Actual*  
*Year Ended March 31, 2006*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Interest	\$500	\$14,100	\$5,349	(\$8,751)
<b>Expenditures</b>				
Other	0	0	0	0
<b>Net Change in Fund Balance</b>	500	14,100	5,349	(8,751)
Fund Balance - Beginning of year	147,156	147,156	147,156	0
Fund Balance - End of year	<u>\$147,656</u>	<u>\$161,256</u>	<u>\$152,505</u>	<u>(\$8,751)</u>

**TOWNSHIP OF DUNDEE**

*Perpetual Care Cemetery Fund*  
*Statement of Revenues, Expenditures, and Changes in Fund Balances*  
*Budget and Actual*  
*Year Ended March 31, 2006*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Licenses and permits	\$1,000	\$1,000	\$280	(\$720)
Interest	300	433	673	240
Total Revenues	1,300	1,433	953	(480)
<b>Expenditures</b>				
General government: Cemetery	1,500	1,500	895	605
<b>Net Change in Fund Balance</b>	(200)	(67)	58	125
Fund Balance - Beginning of year	21,902	21,902	21,902	0
Fund Balance - End of year	<u>\$21,702</u>	<u>\$21,835</u>	<u>\$21,960</u>	<u>\$125</u>

**TOWNSHIP OF DUNDEE**

*Irish /Meanwell Road Water Construction Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
Year Ended March 31, 2006*

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	<u>Actual</u>
<b>Revenues</b>	
Interest income	\$767
<b>Expenditures</b>	
Capital projects:	
Water district	<u>113,708</u>
Excess (Deficiency) of Revenues Over Expenditures	(112,941)
<b>Other Financing Sources (Uses)</b>	
Operating transfers out	<u>(46,211)</u>
Total Other Financing Sources (Uses)	<u>(46,211)</u>
<b>Net Change in Fund Balance</b>	(159,152)
Fund Balance - Beginning of year	<u>161,163</u>
Fund Balance - End of year	<u><u>\$2,011</u></u>

**TOWNSHIP OF DUNDEE**

*Wells Road Water Construction Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
Year Ended March 31, 2006*

	Budgeted Amounts			Positive (Negative) Budget
	Original	Final	Actual	
<b>Revenues</b>				
Interest income	\$20,000	\$20,000	\$344	(\$19,656)
<b>Expenditures</b>				
Capital projects:				
Water district	151,000	151,000	34,583	116,417
Excess (Deficiency) of Revenues Over Expenditures	(131,000)	(131,000)	(34,239)	96,761
<b>Other Financing Sources (Uses)</b>				
Proceeds from the sale of bonds	60,000	60,000	0	(60,000)
Operating transfers out	(17,000)	(17,000)	(27,815)	(10,815)
Total Other Financing Sources (Uses)	43,000	43,000	(27,815)	(70,815)
<b>Net Change in Fund Balance</b>	(88,000)	(88,000)	(62,054)	25,946
Fund Balance - Beginning of year	88,000	88,000	64,072	(23,928)
Fund Balance - End of year	\$0	\$0	\$2,018	\$2,018

**TOWNSHIP OF DUNDEE**

*Leib Cemetery Fund*  
*Statement of Revenues, Expenditures, and Changes in Fund Balances*  
*Budget and Actual*  
*Year Ended March 31, 2006*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Interest	\$200	\$200	\$255	\$55
<b>Expenditures</b>				
General government: Cemetery	<u>300</u>	<u>300</u>	<u>350</u>	<u>(50)</u>
<b>Net Change in Fund Balance</b>	(100)	(100)	(95)	5
Fund Balance - Beginning of year	<u>7,231</u>	<u>7,231</u>	<u>7,231</u>	<u>0</u>
Fund Balance - End of year	<u><u>\$7,131</u></u>	<u><u>\$7,131</u></u>	<u><u>\$7,136</u></u>	<u><u>\$5</u></u>

**TOWNSHIP OF DUNDEE**

*Agency Fund*  
*Statement of Changes in Assets and Liabilities*  
*Year Ended March 31, 2006*

	Balance March 31, 2005	Additions	Deductions	Balance March 31, 2006
<b>Assets</b>				
Cash	<u>\$22,535</u>	<u>\$11,924,769</u>	<u>\$11,828,974</u>	<u>\$118,330</u>
<b>Liabilities</b>				
Due to other governmental units	\$21,058	\$1,002,702	\$1,019,561	\$4,199
Due to taxing units	<u>1,477</u>	<u>10,922,067</u>	<u>10,809,413</u>	<u>114,131</u>
Total Liabilities	<u>\$22,535</u>	<u>\$11,924,769</u>	<u>\$11,828,974</u>	<u>\$118,330</u>





COOLEY HEHL  
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Certified Public Accountants

Township Board  
Township of Dundee  
Monroe County, Michigan

Report of Comments and Recommendations

Board Members:

Our audit of the financial statements of the Township of Dundee for the year ended March 31, 2006 was made in accordance with auditing standards generally accepted in the United States of America. These standards require, in addition to obtaining competent evidential matter through inspection, observation, inquiry, and confirmation, that we determine that existing internal controls, accounting procedures, and accounting records are adequate to allow us to express an opinion on the financial statements of the Township.

Our comments set forth herein are for your review and have been discussed with appropriate personnel. These comments are based primarily upon procedures employed during our audit and therefore do not encompass all matters that might result from special studies directed toward such matters.

Water Debt Billings

During the audit, it came to our attention that one customer was left off the Meanwell/Eggert water district special assessment billing. We recommend the Township reconcile the customer balance report with billings, and collections for each special assessment water district.

We wish to express our appreciation for the continuing cooperation and courtesy extended to us by all officers and employees of the Township. We would be pleased to discuss any of these recommendations with you, and to provide any assistance that you may require in their implementation.

Very truly yours,

A handwritten signature in cursive script that reads 'Cooley Hehl Wohlgamuth &amp; Carlton'.

July 21, 2006